821 Lakeknoll Dr. Sunnyvale CA 94089

To: EPA Office of Civil Rights

Attn: Yasmin Yorker-Title VI Team Leader

Yorker.yasmin@epamail.epa.gov

U.S. EPA

Ariel Rios Building Office of Civil Rights

1200 Pennsylvania Ave., MC1201

Washington D.C. 20460

From: Michael E. Boyd — CARE

Ref: Amendment 1 to CARE s OCR complaint of 4-16-00 to include the City of

Pittsburg California in CASE#2R-00-R9

On 4-16-00 CARE filed a complaint through the EPA Office of Civil Rights for violations of Title VI by the California Energy Commission (CEC), Bay Area Air Quality Management District (BAAQMD), and the California Air Resources Board (CARB), in their approval of the Pittsburg District Energy Facility CEC docket 98-AFC-1 and the Delta Energy Center CEC docket 98-AFC-3. The purpose of this amendment is to include the City of Pittsburg California in the original complaint. Due to the City Council of Pittsburg s deliberations on these two projects taking place during closed sessions under the asepsis of pending litigation complainant was unaware of the City of Pittsburg s violations of title VI, and therefore did not include it in the original complaint.

In the original complaint CARE identified that, low-income children and minority populations in the community of Pittsburg Contra Costa County California already experience disparate impacts from criteria air pollutants in comparison to surrounding counties. These two projects will further inflict disparate impacts from criteria pollutants in the form of particulate matter, NOx, and Toxic Air Contaminants (TACs). Contra Costa County low income and minority populations already suffer elevated levels of occurrences of asthma, and breast cancer, along with increased human mortality attributable to particulate matter exposure. The community of Pittsburg s low-income children and minority populations experience these affects disparately in comparison to non-minority non-low income populations within Contra Costa County and in the surrounding counties. CARE will provide further evidence of disparate impacts from air pollutants in amendment 2.

This demonstrates that the City received a copy of a petition opposing these two projects, circulated by complainant Joe Hawkins, and signed by in excess of one hundred residents of the HUD El Pueblo housing project. (See attachment 1 minutes of City Council and attachment 2 Petition against 98-AFC-1 and 98-AFC-3 submitted to City Council 9-7-99.) The El Pueblo Housing project is occupied by low-income and minority families and is the nearest public housing project to the Delta Energy Center (CEC 98-AFC-3). The minutes (attach. 1) reflect this under the section, Citizens Remarks, where it states,

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JOE HAWKINS, Pittsburg, representing Community s Health First, opposed the Pittsburg District Energy Facility and suggested that minorities were being unfairly affected by power and energy plants in the City. He submitted a petition of residents in opposition to the power plants in the City.

At the meeting at which this petition was served on the City Council (09-07-99) the Council did meet in closed session and did authorize eminent domain proceeding in regards to 98-AFC-1 without a legally sustainable 4/5 vote as is required under state law. This proceeding was initiated as part of council Resolution 99-031 (See attach. 1.) The 4/5 vote was not legal as one of the City council members a Mr. Federal Glover was an employee of DOW Chemical in Pittsburg. DOW was beneficiary of both 98-AFC-1 and 98-AFC-3 as the steam host for these projects. Pursuant to the California Codes of Civil Procedure,

/1245.240. Unless a greater vote is required by statute, charter, or ordinance, the resolution shall be adopted by a vote of two-thirds of all the members of the governing body of the public entity.

The resolution of necessity in this matter does not meet the requirements of the California Codes of Civil Procedure, in that,

/1245.270. (a) A resolution of necessity does not meet the requirements of this article if the defendant establishes by a preponderance of the evidence both of the following:

- (1) A member of the governing body who voted in favor of the resolution received or agreed to receive a bribe (as that term is defined in subdivision 6 of Section 7 of the Penal Code) involving adoption of the resolution.
- (2) But for the conduct described in paragraph (1), the resolution would not otherwise have been adopted.

As a result of council member Frank Quesada's vote against Resolution 99-031, the resolution would not otherwise have been adopted, without the vote of Federal Glover. Pursuant to the California Political Reform Act of 2000 Federal Glover should not have participated in the vote on the resolution as stated in /87100 Public Officials: State and Local,

No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.

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Attachment 4 more clearly delineates the requirement of the Political Reform Act for this matter. Either council member Glover was admonished on this matter by the City s legal council, or this, person alleged to have violated this title engages in the fraudulent concealment of his or for the period of concealment. For purposes of this subdivision, fraudulent concealment means the person knows of material facts related to his or her duties under this title and knowingly conceals them in performing or omitting to perform those duties, for the purpose of defrauding the public of information to which it is entitled under this title. <sup>1</sup>

Subsequent to this meeting the City Council did meet in closed session to authorize the negotiate of contractual agreements with the project's applicant to deprive the fore-mentioned populations of their civil rights, as well as their constitutional rights of free speech and the right to petition the government for grievances. The evidence these closed sessions took place under the improper citation of pending litigation, is shown in attachment 3 page 3 where it states,

There was no action taken at any of the cited closed sessions, except to authorize staff to negotiate a settlement with Calpine as to the City s position on community benefit.

No evidence of pending litigation in this matter has been provided to date; therefore complainant contends that the only reason for such closed sessions was to deprive the fore-mentioned populations of their civil rights, as well as their constitutional rights of free speech and the right to petition the government for grievances.

The City Council denied its citizen s and their children their rights in return for in excess of forty million dollars for the City use as unrestricted funds. In the Contra Costa Times article (see attachment 5), published Thursday, November 11, 1999, titled <u>Planners OK variance for power plant stacks</u>, By Charles Levin it states,

In June, the Planning Commission and City Council gave advisory votes to approve a proposed smokestack height variance for the Los Medanos Energy Center, formerly the Pittsburg District Energy Facility. The city recently sold its interest in the Los Medanos Energy Center and netted \$15.6 million from the sale.

This article also identified the special zoning consideration the applicant for these projects received in return for funding from this project as well as the subsequent project where it states,

In this case, commissioners asked the city to render an advisory vote on whether the smokestacks should exceed the city's industrial zoning limit of 95 feet. Three exhaust stacks at the center would be 144 feet tall, while two boiler stacks would reach 115 feet.

<sup>&</sup>lt;sup>1</sup> California Political Reform Act 2000, /91000.5.(b) Administrative Proceedings.

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In the Contra Costa Times article (see attachment 6), published Friday, April 28, 2000, titled Power Project Planned in Secret City cited lawsuit risk to close doors, By Glenn May it states,

In a series of meetings held behind closed doors, council members decided not only to support the plant but also to help get it built. In the coming weeks, the council will vote on a deal in which the city would receive more than \$27 million over 25 years. In exchange, the city would help Calpine and Bechtel, the companies planning the Delta Energy Center, in getting the plant built and in putting its electricity on-line.

Figure 1 demonstrates that City of Pittsburg received a grant for \$5,284,404.00 from federal HUD funding.

Figure 1 City of Pittsburg HUD funding 2000-2001

Annual Plan
CONSOLI DATED FU NDI NG
The agency s combined FY2000 budget is $5.2\mathrm{million}$ . The primary sources of revenue and ex penses are shown in Table 4.

Table 4
Revenue and Expense Projections
FY 2000- 2001

Category	Sec tion 8
	Existing
Revenue	
HUD Grants	\$ 5,28 4,40 4.00
Total	\$ 5,28 4,40 4.00
Expenses	
Adm inis trati ve	530,906.00
U tilit ies	118 ,737 .00
Gener al	35, 446.00
Total Rout in e	685,089.00
HAP Pa yments	4, 743 ,60 0 .00
Total Expenses	\$ 5, 428, 689 .00
Sur plus / (D ef ic it)	(144,285.00)
Existing Reserve	695, 156 .55
(as of 3/31/00)	
Net Reserve	\$ 550, 871. 55

- Operating Budget. Figures reflect operating subsidies funded at 92.0 percent of Performance Funding System (PFS) eligibility. Rents are projected to increase 5.0 percent from prior year.
- Section 8 Existing. Reflects average HAP of \$585.00 P er Unit Month (PUM) and an average administrative fee of \$65.00 PUM.

City of Pittsburg HousingA uthority

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The remedy sought by CARE is as follows. 1) That a CEQA NEPA and EJ compliant EIR /EIS be completed by the City of Pittsburg on any current or future energy projects within the city of Pittsburg. 2) The City of Pittsburg allocate funds (outside of administrative fees and services) received from the applicant Calpine/Bechtel, to the Pittsburg Unified School District for mitigation for disparate impacts on low-income and minority children.

#### **Conclusion**

Low-income children and minority populations in the community of Pittsburg Contra Costa County California experience disparate impacts from criteria air pollutants in comparison to surrounding counties. This is inclusive of the low-income families of the El Pueblo HUD housing project. These two projects will further inflict disparate impacts from criteria pollutants in the form of particulate matter, NOx, and Toxic Air Contaminants (TACs). Contra Costa County s low income and minority populations already suffer elevated levels of occurrences of asthma, and breast cancer, along with increased human mortality attributable to particulate matter exposure. The community of Pittsburg s low-income and minority populations, and low-income and minority children in particular experience these effects disparately in comparison to non-minority non-low income populations within Contra Costa County and in the surrounding counties.

No mitigation for impacts from these projects will be received by the Pittsburg Unified School District to mitigate the affects that school children, predominantly low income and minority, will experience as a result of these projects. The remedy we seek is to prohibit the development of these projects without local mitigation and local emission offsets. We seek the recognition by the City of Pittsburg of their responsibility to identify disparately impacted low income and minority populations in Pittsburg, and provide for appropriate mitigation and alternatives pursuant to Federal law, and we seek the requirement that this be made part of their general plan.

Michael E. Boyd 6-19-00

michael E. Boy of

President-CARE

Joe Hawkins 6-19-00

Jim MacDonald-trustee 6-19-00 Community Health First Pittsburg Unified School District

James & Mac Conald

821 Lakeknoll Dr. Sunnyvale CA 94089

#### Attachment 1, the Minutes of September 7, 1999

Jun 18 00 08:50p

MacDonald/Cummings

925-473-1886

JUN-17-00 SAT 07:10 MICHAEL E. BOYD MAY-30-00 THE 11:28 AM RAINBOW!HOMES.INC

4087471579 925 4520778

P.05

Sep 08,1999 09:21AM FROM

TO 4394851

P.03

925 706 2305

#### CITY OF PITTSBURG Power Company Resume September 7, 1999

Chairman Federal Glover called the meeting of the Pittaburg Fower Company of the City of Pittaburg to order at 7:07 P.M.

MEMBERS PRESENT:

Aiello, Anzini, Lewis, Quesada, Glover

MEMBERS ABSENT:

STAFF PRESENT:

Executive Director, Jeffrey Kolin

Executive Director, Jeffrey Kolin
Legal Counsel, Michael Woods
Deputy City Manager, Yolanda Lopez
Assistant City Manager, Glenn Valenzuela
City Clerk, Lillian Pride
Director Community Development, Nasser Shirazi
Director Leisure Services, Paul Flores
Assistant City Engineer, Wally Girard
Director Economic Development, Gerald Dunbax
Assistant Planner, Carl Cahill
Park Planner, Joel Summerhill
Police Chief, Aaron Baker

#### CITIZEN REMARKS

JOS HAWKINS. Pittsburg, representing Community's Health First, opposed the Pittsburg District Energy Pacility and suggested that minorities were being unfairly affected by power and energy plants in the City. He submitted a petition of residents in opposition to the power plants in the City.

#### MEMBERS REMARKS

There were no Members remarks.

#### CONSENT

On motion by Member Lewis, second by Member Aiello to adopt the Consent Calendar, carried by the following vote:

Aiello, Anzini, Lewis, Glover Quesada

Noce: Absent: None

(4-1 TO APPROVE)

MINUTES

Dated: August 3, 1999 and August 16,

Approved Minutes Dated August 3, 1999 and August 16, 1999.

City Council Resume

September 7, 1939

821 Lakeknoll Dr. Sunnyvale CA 94089

Jun 18 00 08:49p

MacDonald/Cummings

925-473-1886

p.2

JUN-17-00 SAT 07:11 MICHAEL E. BOYD MAY-30-00 THE 11:28 AM RAINBOW!HOMES.INC Sep 06,1999 U3:22FM FROM

4087471579 925 4320773 TO 4394851

P.06 P.84

#### CONSIDERATION

Mayor Glover CONVENED THE CITY COUNCIL to address the next two items concurrently.

City Attorney Michael Woods recommanded changes to the resolutions for clarification purposes:

To add a new sentence, to the next to the last in Section 6 of the Bighth Street Easement.

"Furthermore, Grantee shall have no obligation to relocate the Transmission Line and its appurtenances at Grantee's expense if either (1) Grantee constructs the vault or other structure if either (1) Grantee constructs the vault or other structure containing the Transmission Line to be at least 18 inches containing the Transmission Line for a distance equal to either (a) the the Transmission Line, for a distance equal to either (a) the width of the public right of way for a cross-street to Eighth width of the public right of way for a cross-street to Eighth Street, where the utility line is within such right of way, or (b) ten feet each side of the centerline where such utility (b) ten feet each side of the centerline where such utility of way; or (2) the City Engineer, in his sole discretion, approves a configuration other than that set forth in (1) above."

To be added to Section 12 of each Easement Agreement, at the end, the following clause:

"unless such cessation is due to factors outside Grantee's reasonable control, in which case such period is extended to four (4) years.

Mr. Woods recommended that those changes be incorporated, as recommended.

Requesting the City of Pittsburg to Approve Easement Agreements for the Pittsburg District Energy Facility RESOLUTION 99-031

PAULA HAWKINS, Pittsburg, suggested that the majority of the residents were not aware of the compounded effects of all of the companies from Martinez to Pittsburg affecting the health of pittsburg residents. She disagreed that the public had been appropriately notified of the proposal. She requested that the Power Company Board reconsider the proposal.

On motion by Member Lewis, second by Vice Chairman Anzini to adopt Resolution 99-031, as amended with changes to the text from Legal Counsel Michael Woods carried by the following vote:

Aiello, Anzini, Lewis, Glover Quesads

Noes: Absent:

(4-1 TO APPROVE)

City Council Resume

Seprember 7, 1999

821 Lakeknoll Dr. Sunnyvale CA 94089

Jun 18 00 08:49p

MacDonald/Cummings

925-473-1886

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JUN-17-00 SAT 07:12 MICHAEL E. BOYD WAY-30-00 TUE 11:29 AM RAINBOW!HOMES.IND Sep 08.1999 09:22AM FROM

<sub>22</sub>,4087471579 TO 4394651

P.85

9022 Approving Easement Agreements for the Pittsburg District Energy Facility

On motion by Councilmember Lewis, second by Vice Mayor Anzini to adopt Resolution 99-031, as amended with changes to the text from City Attorney Michael Woods carried by the following vote:

Ayes: Aiello, Anzini, Lewis, Glover Noes: Quesada Absent: None

(4-1 TO APPROVE)

#### AUJOURNMENT

There being no further business, the Pittsburg Power Company adjourned at  $7:32\ P.M.$  to September 6, 1999.

City Council Resume

septembor 7, 1999

Attach. 2 Petition against 98-AFC-1 and 98-AFC-3 submitted to City Council 9-7-99

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Sunnyvale CA 94089

06/16/2000 07:35 473-1974

JOE/PAULA HAWKINS

PAGE 02

# Petition's to stop Certification and the proposed Power Plants In our City!!! Pittsburg. Starting 9-25-99.

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Sunnyvale CA 94089

06/16/2000 07:35 V) P, JOE/PAULA HAWKINS 473-1974 PAGE 03

# Petition's to stop Certification and the proposed Power Plants In our City!!! Pittsburg. Starting 9-25-99.

# 98-AFC-1 & 98-AFC-3

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Sunnyvale CA 94089

06/16/2000 07:35 473-1974 JOE/PAULA HAWKINS

PAGE 04

EL P.

Petition's to stop Certification and the proposed Power Plants In our City!!! Pittsburg. Starting 9-25-99.

# 98-AFC-1 & 98-AFC-3

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Sunnyvale CA 94089

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PAGE 05

Petition's to stop Certification and the proposed Power Plants In our City!!! Pittsburg. Starting 9-25-99.

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JOE/PAULA HAWKINS

PAGE 06

EL.P.

# Petition's to stop Certification and the proposed Power Plants In our City!!! Pittsburg. Starting 9-25-99.

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Sunnyvale CA 94089

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Petition's to stop Certification and the proposed Power Plants In our City!!! Pittsburg. Starting 9-25-99.

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Sunnyvale CA 94089

06/16/2000 07:35 473-1974 JOE/PAULA HAWKINS

PAGE 08

# Petition's to stop Certification and the proposed Power Plants In our City!!! Pittsburg. Starting 9-25-99.

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821 Lakeknoll Dr. Sunnyvale CA 94089

#### Attachment 3 City Manager s report RE: Correspondence from CARE RE: Brown Act Provisions and the Delta Energy Center 6-20-00

Jun 18 00 08:52p

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JUN-17-00 SAT 07:05 MICHAEL E. BOYD 408747157 JUN 16 '00 13:40 FR CONTRA COSTA NUSPPR 510 706 2305 TO 14083252262

P. Ø1



OFFICE OF THE CITY MANAGER Administrative Offices 65 Civic Avenue Pittsburg, California 94565

; (985) 779 7170

TO:

Mayor and Council Members

FROM:

Jeffrey C. Kolin, City Manager

DATE:

June 20, 2000

RE:

Correspondence from "Californians for Renewable Energy, Inc.", Sunnyvale, CA re:

Brown Act Provisions and the Delta Energy Center

This item concerns a letter from an organization called "Californians for Renewable Energy, Inc. (CARE)", based in Sunnyvale, California. The letter was received on May 26, 2000, and is attached to this report.

#### BACKGROUND

The attached letter alleges various violations of the Ralph M. Brown Act, California's open meeting law (Government Code sections 54950, et seq., the "Brown Act"). In particular, the letter demands that the Council "cure or correct" actions alleged to have been taken regarding the Delta Energy Center ("DEC") on March 6, March 20 and April 3, 2000.

#### The letter alleges:

- That the Council does not afford the public the opportunity to comment on closed session items before adjourning to closed session; and
- That the Council lacked legal authority to meet in closed session regarding DEC.

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P.02

Mayor and Council Members June 20, 2000 Page 2

The letter requests that the Council take several steps, each of which is discussed below.

#### STAFF ANALYSIS

The first issue involves public comment on closed session items. The letter alleges that the City does not allow members of the public to comment on closed session items before the Council adjourns to closed session. We observe first that no member of CARE has ever attempted to address the Council on a closed session item before the Council adjourned to closed session. Indeed, staff cannot recall a single instance where any member of the public asked to address the Council on a closed session item before adjourning to closed session.

However, the Council would be happy to accept such public comment if offered. Indeed, every agenda for City Council meetings contains an opportunity for public comment. If the Council were scheduled to meet in closed session before the "public comment" section on the agenda, and a member of the public wished to address the Council on a closed session item, staff would recommend that the Council simply take up the public comment item at that time, allow the comment, and then adjourn to closed session. That approach is much more conducive to public comment than placing the public comment item on the agenda as the very first order of business. The Council often meets in open session an hour or more before the regularly scheduled public meeting. The Council convenes in open session and then adjourns to closed session pursuant to the agenda. As indicated above, there is virtually never a member of the public in attendance at the earlier hour. To routinely schedule public comment when members of the public are generally not in attendance would thwart public comment later in the meeting. Please note that (unlike some jurisdictions), Pittsburg takes public comment ahead of its normal agenda business items, in order to allow maximum public comment. Placing such comment either at the end of the meeting tends to limit comment, since fewer members of the public are in attendance at the end of a lengthy Council meeting.

The second issue involves whether the Council had legal authority to meet in closed session on the DEC matter. The Council clearly had such authority. The Brown Act allows for a closed session on pending litigation under Government Code section 54956.9. "Pending litigation" includes litigation to which the local agency is a party. "Litigation" includes "any adjudicatory proceeding ... before a[n] administrative body exercising its adjudicatory authority ....." An application for certification of a power plant to the California Energy Commission ("CEC") constitutes "litigation" within the meaning of the Brown Act. The City of Pittsburg filed its petition to intervene in that proceeding on August 23, 1999. Thus, the City of Pittsburg was a party to pending litigation and the City Council was entitled to meet in closed session to discuss that litigation.

The letter alleges that the litigation before the CEC ended when the CEC approved the permit on February 9, 2000. However, the proceeding was not final on that date. For example, on March 16,

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P.03

Mayor and Council Members June 20, 2000 Page 3

2000, Southern Energy Delta, LLC (another party to the proceeding) filed a "Petition for Reconsideration and, in the Alternative, for Reopening the Record." The CEC conducted a hearing on the petition on April 5, 2000. The City Attorney's office appeared in that hearing on behalf of the City. The CEC denied the petition. Each of the closed sessions CARE complains of were conducted between the time the City intervened in the matter, and before the CEC ruled on the petition for reconsideration or to reopen the record.

Each closed session that CARE complains of was within the closed session provision of the Brown Act. The CEC is specifically required to consider "community benefit" when acting on an application for certification, such as for the DEC project. The City intervened because of its concern that adequate community benefit accrie to the community from this project. The City Manager and City Attorney negotiated a resolution of the City's concerns as a settlement of the City's position as an intervenor, and from time to time updated the Council on the status of the negotiations. None of these circumstances constituted a violation of the Brown Act.

CARE seeks certain "cure actions," which are quoted in full, and discussed as follows:

 "That any actions taken by the city council of Pittsburg in regards to the Delta Energy Center be declared null and void, and be subject to reconsideration by council at a future meeting which is open to the public."

Government Code section 54952.6 defines "action taken" as "a collective decision made by a majority of the members of a legislative body, a collective commitment or promise by a majority of the members of a legislative body to make a positive or a negative decision, or an actual vote by a majority of the members of a legislative body when sitting as a body or entity, upon a motion, proposal, resolution, order or ordinance." There was no "action taken" at any of the cited closed sessions, except to authorize staff to negotiate a settlement with Calpine as to the City's position on community benefit. Indeed, the entirety of the proposed transaction with Calpine in settlement of the City's community benefit claim was described in open session on April 3, 2000, with a detailed staff report and power point presentation for the Council and members of the public. Even as of this date, no contract has been concluded. The Council gave conceptual approval to the general transaction in public session on April 3, 2000, subject to staff returning with full documentation on the transaction. Staff have not yet returned with the necessary documentation. When that takes place, it will of course be in open session.

We do not speculate on whether further administrative proceedings may take place before the CEC that would continue to represent "pending hitgation" within the meaning of the Brown Act. Given that each meeting complained of occurred within the time that hitgation was clearly pending, it is unnecessary to discuss the impact, if any, of any future proceedings on the same matter.

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P.04

Mayor and Council Members June 20, 2000 Page 4

While there was no Brown Act violation, even if CARE were correct in asserting that a violation occurred by virtue of these circumstances, any such violation would have been more than cured by the Council's extensive consideration of the matter in open session on April 3, 2000. A copy of the April 3, 2000 staff report for the public session is attached.

2. "Any notes or recording taken during the fore-mentioned closed sessions be made public."

Staff recommends that the Council vote to disclose excerpts from closed session minutes as to any discussions on the DEC proceeding during the Council meetings as requested.<sup>2</sup> Assuming the Council votes to release those excerpts, they will be available for distribution at the Council meeting of June 20, 2000. The City releases these documents in the interest of responding to the concerns raised, and without prejudice to its ability to take a position at any future time that such disclosure is not legally required. No recordings are made of closed session discussions.

3. "Any reports of actions taken or contracts approved during or as a result of these closed sessions be declared null and void, and be subject to reconsideration by council at a future meeting which is open to the public."

As indicated above, no actions or contracts were approved or taken, with the exception of authorizing staff to negotiate a settlement, and to bring the matter up in open session. It has been a matter of public record since April 3, 2000, that the transaction is to be brought back for the Council's consideration in open session once documents are available for review and consideration.

 "Any future agendas of the city council of Pittsburg California afford the public an opportunity to comment on closed-session items prior to the body's adjournment into closed session."

As explained above, the public already has an opportunity to comment on closed session items before the Council considers those items. We recommend the Council reaffirm that policy by motion. If the Council prefers, staff could place two public comment items on the agenda, one of which would take place before the closed session.

#### RECOMMENDATION

Staff recommends that the Council, by motion:

Authorize the disclosure of closed session minutes on the DEC project, as described above.

\*\* TOTAL PAGE.02 \*\*

<sup>2</sup> Please note that, while the DEC proceeding was agendized for the meetings of February 7, 2000 and March 20, 2000, the matter was not taken up in closed session. Thus, no excerpts for those dates will be provided.

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Attachment 4

#### CALIFORNIA POLITICAL REFORM ACT — 2000

#### /87100. Public Officials; State and Local.

No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.

#### /87101. Legally Required Participation in Governmental Decision.

Section 87100 does not prevent any public official from making or participating in the making of a governmental decision to the extent his participation is legally required for the action or decision to be made. The fact that an official s vote is needed to break a tie does not make his participation legally required for purposes of this section.

#### /87209. Business Positions.

When a statement is required to be filed under this article, every person specified in Section 87200 shall disclose any business positions held by that person. For purposes of this section, business position means any business entity in which the filer is a director, officer, partner, trustee, employee, or holds any position of management, if the business entity or any parent, subsidiary, or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction or has done business in the jurisdiction at any time during the two years prior to the date the statement is required to be filed.

#### /91000. Violations; Criminal.

- (a) Any person who knowingly or willfully violates any provision of this title is guilty of a misdemeanor.
- (b) In addition to other penalties provided by law, a fine of up to the greater of ten thousand dollars (\$10,000) or three times the amount the person failed to report properly or unlawfully contributed, expended, gave or received may be imposed upon conviction for each violation.
- (c) Prosecution for violation of this title must be commenced within four years after the date on which the violation occurred.

History: Amended by Stats. 1978, Ch. 1411; [Proposition 208 of the November 1996 Statewide General Election amended version in Appendix.]

#### /91000.5. Administrative Proceedings.

No administrative action brought pursuant to

Chapter 3 (commencing with Section 83100) alleging a violation of any of the provisions of this title shall be commenced more than five years after the date on which the violation occurred.

(a) The service of the probable cause hearing notice, as required by Section 83115.5, upon the person alleged to have violated this title shall constitute the commencement of the administrative action.

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- (b) If the person alleged to have violated this title engages in the fraudulent concealment of his or for the period of concealment. For purposes of this subdivision, fraudulent concealment means the person knows of material facts related to his or her duties under this title and knowingly conceals them in performing or omitting to perform those duties, for the purpose of defrauding the public of information to which it is entitled under this title.
- (c) If, upon being ordered by a superior court to produce any documents sought by a subpoena in any administrative proceeding under Chapter 3 (commencing with Section 83100), the person alleged to have violated this title fails to produce documents in response to the order by the date ordered to comply therewith, the five-year period shall be tolled for the period of the delay from the date of filing of the motion to compel until the date of the documents are produced.

History: Added by Stats. 1997, Ch. 179.

Attachment 5 Published Thursday, November 11, 1999

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# Planners OK variance for power plant stacks

By Charles Levin STAFF WRITER

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PITTSBURG -- Five smokestacks that would exceed city industrial zoning heights have inched closer to approval.

On Tuesday, the city's Planning Commission voted 4-0 to allow a variance for power plant developers Calpine Corp. of San Jose and Bechtel Enterprises of San Francisco. Commissioners Rosemary Tumbaga and Michael Kee were absent, while Commissioner Thaddeus Holmes arrived after the vote.

The five stacks would rise to the sky from the Delta Energy Center, a proposed 880-megawatt power plant. Developers hope to build the plant on 20 acres of Dow Chemical property west of Arcy Lane and next to the Delta Diablo Wastewater Treatment Center.

It would sit just south of Dow's wetlands, home to migrating waterfowl and endangered plant and animal species.

The California Energy Commission, which conducts environmental reviews for such plants, is reviewing the plant for a state license.

In this case, commissioners asked the city to render an advisory vote on whether the smokestacks should exceed the city's industrial zoning limit of 95 feet. Three exhaust stacks at the center would be 144 feet tall, while two boiler stacks would reach 115 feet.

Originally commissioners didn't want to vote on the variance. Five commissioners took an informal consensus vote to approve the proposal at an Oct. 12 meeting. But last week, the City Council directed commissioners to cast a formal vote on the matter.

In June, the Planning Commission and City Council gave advisory votes to approve a proposed smokestack height variance for the Los Medanos Energy Center, formerly the Pittsburg District Energy Facility. The city recently sold its interest in the Los Medanos Energy Center and netted \$15.6 million from the sale.

Commissioners didn't debate the matter on Tuesday, but Commissioner George Harris tersely stated his opposition to voting.

"I wasn't going to come," Harris said. "I don't care what the council says. I think it's ridiculous."

The City Council must still vote on the variance for the Delta center before the state commission issues a license.

Reach Pittsburg reporter Charles Levin at 779-7170 or clevin@cctimes.com.

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Attachment 6 Published Friday, April 28, 2000

By Glenn May

# Power project planned in secret

City cited lawsuit risk to close doors

STAFF W	RITER			

PITTSBURG -- City Council members never held a public debate on whether to oppose or support a power company's plan to build a new 880-megawatt generation plant in Pittsburg.

But in a series of meetings held behind closed doors, council members decided not only to support the plant but also to help get it built

In the coming weeks, the council will vote on a deal in which the city would receive more than \$27 million over 25 years. In exchange, the city would help Calpine and Bechtel, the companies planning the Delta Energy Center, in getting the plant built and in putting its electricity on-line.

While City Manager Jeff Kolin, City Attorney Michael Woods and members of the City Council majority say some secrecy was necessary to get the most out of the deal for the city, others say the talks were too secret and may have violated open government laws.

"I believe in trying to do these things with technology and business," City Councilman Frank Quesada said, "but at least be fair to the people and let them know what they're getting into."

A number of Pittsburg critics have objected to the Delta Energy Center on environmental grounds, but Quesada has focused on the secrecy surrounding the deal.

Woods said negotiating the basic terms of business deals requires some measure of secrecy, but that the Calpine deal was made public as soon as possible.

"You really do want to get it to a public forum as soon as possible," Woods said. "But there will always be judgment calls as to when do you bring it to the public's attention."

#### Money for help

The deal to which the City Council gave its general approval in an April 3 non-binding vote is a package of benefits the city will receive in exchange for its help both in

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gaining state approval for the natural-gas-fired power plant and in delivering its electricity to market.

Terms of the benefit package negotiated by Kolin and Woods call for the Calpine and Bechtel to build a 230-kilovolt power transmission line from the plant to PG&E's Pittsburg substation, where it can link to the statewide grid. After the transmission line is built, but before it goes on-line, the tentative deal stipulates, the city will buy it.

According to the deal negotiated by Woods and Kolin, Calpine would spend \$25 million to build the line, and then sell it to the city for \$20 million. The purchase would be funded, the plan says, by the city's sale of tax-free municipal bonds to be repaid solely through revenues generated by use of the line.

No other city revenues, Woods' documents say, can ever be used to cover the power line purchase and the bonds used to finance the line purchase are backed solely by the value of the line.

Council members, Woods and Kolin, in public discussions, have stressed the city's rewards in the deal.

Among the benefits: The city would receive payments totaling at least \$27.6 million over 25 years from Calpine for Calpine's use of the city-owned line. That revenue is sheer profit, independent of the line's purchase price.

The company also has pledged a \$300,000 grant to the city to help it get an Antioch/Pittsburg economic development project under way. It also offered to build fiber optic communication lines for city use while it builds the transmission line.

But the deal clearly has major benefits for Calpine and Bechtel.

#### What the company gets

The city has not only negotiated to buy the transmission line as soon as it is complete some time in 2002, thus taking any land it occupies off Calpine's property tax bill, but also made available the city's power of eminent domain to gain property needed to complete the route for the line. The line would run through a series of industrial properties, including a competitor of the new plant which has already raised objections.

Asked if the city would be using eminent domain for the Calpine/Bechtel project, Woods declined to answer.

"I can't comment on that," he said.

The city has already condemned property for an earlier energy project.

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During planning of the Los Medanos Energy Center, another power plant now under construction on Third Street, the city went to court to take property by eminent domain from Southern Energy, the owner of an existing power plant in Pittsburg. Southern Energy is a competitor of the new energy center, as well as the planned Calpine plant.

The land was needed, Woods argued in court documents, to improve water lines in downtown Pittsburg, spruce up parks in the area and run power lines from the Delta Energy Center through Southern Energy property.

As the city planned the move, a lawyer for Southern wrote a letter to the City Council to object.

"The acquisition is not for a public use, but rather, to facilitate extension of electric power lines across our client's property by our competitor," Southern's letter said.

The matter is not settled. On Aug. 31, a judge granted the city immediate possession of the property, but the purchase deal is still being worked out in court, Woods said.

Southern also tried to get state officials to overturn their Feb. 9 approval of the new Calpine plant, again objecting to the city's use of eminent domain to aid a commercial venture.

Southern's overturn request was heard April 5, two days after Kolin and Woods brought the Calpine deal before the council for preliminary approval.

State regulators denied Southern's request to review their approval, determining that forcing Calpine planners to negotiate with Southern to obtain transmission line easements, instead of using eminent domain, would give Southern "veto power" over the entire Calpine project.

#### How the deal happened

Secrecy has characterized the Calpine deal since its inception.

According to Kolin, discussions on the Calpine project began in closed session "many months ago."

After that initial closed-session discussion of the project, Kolin said, Woods proceeded to investigate the city's options "at the direction of the City Council."

On Aug. 23, 1999 the city filed paperwork necessary to become an "intervenor" in Calpine's application for a license from the California Energy Commission, the state agency which licenses construction of new power plants.

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Woods said it is unclear in his memory whether he notified the council it ought to become an intervenor -- an official player -- before or after he filed the application for the city to do so.

Kolin, however, stresses that the council members were kept abreast of Woods' action regarding Calpine all along and, in fact, members led the process.

"They gave the parameters in which to operate," Kolin said.

But those parameters, he confirms, were spelled out in closed session.

Quesada said the negotiating process for the Calpine project was much more secret than it was for the Enron deal, an earlier power plant deal that landed the city about \$15 million.

A packet of documents explaining the Calpine deal was not given to Quesada, the councilman said, until after the April 3 open council meeting was under way.

"With Calpine you get nothing" in documentation, Quesada said. "You get it all after the deal is done."

#### Second project different

The Enron project was negotiated more openly, Kolin and Woods said, because the city initiated it.

The city came in on the tail end of the Calpine plan, they said.

"This was not something the city was part of, so it took a much different course," Kolin said. "The city was not a partner in the development of the project."

As the energy commission reviewed Calpine's application in 1999 to build the plant in Pittsburg, the city was holding closed-session discussions on its stance toward the company.

Then, on Nov. 18, 1999 Former Pittsburg Economic Development Director Gerald Dunbar sent the energy commission a letter saying the city favored Calpine's application for a power plant permit.

The only official vote favoring the Calpine project that Dunbar's letter mentions was a 4-0 council vote in public Nov. 15 to grant Calpine a variance on smokestack heights for the project.

But by then the energy commission was already assuming the city supported the project, even though the public still knew nothing about the city's increasing involvement.

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According to a preliminary timetable approved by the commission in August -- three months before the smokestack vote in Pittsburg -- the agency determined Calpine's permit application for the plant could likely be speeded up by two months because "the municipalities in which it is located are generally supportive of the project."

Meanwhile, progress on the deal with Calpine proceeded in closed meetings.

Woods said the city had a legal rationale for keeping the deal negotiations private.

To discuss the city's relations with Calpine, the Pittsburg City Council invoked an exception in the state's open government law that lets government officials discuss pending litigation in private.

#### Secrecy defended

Each time the council was discussing the matter in private, Woods said, they properly noted the discussions on the agenda. As required by the open-meeting law, the Brown Act, they identified the energy commission case at issue and noted that they were holding the discussion in private because of "existing litigation," Wood said.

Woods and Terry Francke, an attorney for the California First Amendment Coalition and an authority on open government laws, agree that discussing a matter before the California Energy Commission in which the city is an intervenor can be a legally valid reason to go behind closed doors.

But Francke said the exception for discussing pending litigation doesn't allow a government body to launch into in-depth plans for a business deal.

"I don't believe there's an adequate basis to use a pending litigation situation to develop a negotiating position with Calpine," Francke said.

He also said that a council or other governing body normally should only use that exception when it is planning to do legal battle, such as suing someone or defending against a suit. In this case, he noted, the city was cooperating with the company it was simultaneously citing as a potential litigant.

Woods, however, said when the city first registered as an intervenor in Calpine's energy commission case, the city was not yet a friendly partner.

"We were fully prepared to be adversarial in that proceeding if we were not able to negotiate an adequate level of community benefit from the project," Woods said.

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#### Benefits justify process

City Councilman Bob Lewis said it is that benefit -- the \$27 million, the \$300,000, the ownership of the transmission line and other perks -- that matters in the end.

"The No. 1 goal was to get the most amount of community benefit we could out of this deal," Lewis said. "We did everything legally."

Lewis estimated the deal with Calpine was discussed in eight to 10 closed meetings in past months and defended staking out a negotiating stance in those sessions.

"You can't have that kind of legal discussion publicly while you're still in negotiation with the company on how much you can get from them," Lewis said.

Lewis said that a complete contract was not being agreed upon in secret, but rather council members were deciding on general negotiating objectives.

"What we're doing is negotiating deal points," Lewis said. "When you have a concrete deal, that is when you start the public process."

Lewis also said that the city's decision to be actively involved in the power industry is nothing new. Voters have signaled their approval of the strategy repeatedly, he said, when electing council members.

Woods argued the city could have finalized terms of the deal, then brought it all for one-stop final approval.

"Some cities would have just put the documents up for approval and it would have been a done deal at that point," he said.

Instead, he said, a public process is now under way.

Lewis, Woods and Kolin stressed repeatedly that no binding votes have yet been taken on the package.

"Nothing has been approved," Lewis said. "When we announced it two weeks ago, that was the opening of the forum."

And despite all of his hard work, Woods says, the deal could be killed off in a single vote.

But how likely that is, and how much time is spent publicly debating the contract after months of closed-session negotiations, remains to be seen.

"I think it's going to be at least several weeks before we have contracts ready for the council to start looking at," Woods said.

Glenn May covers Pittsburg and Bay Point. He can be reached at 779-7170 or gmay1@cctimes.com.